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FIRST COUNTRY COOPERATION FRAMEWORK FOR UGANDA (1997-2000)

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INTRODUCTION

1. The first country cooperation framework (CCF) for Uganda for the period 1997-2000 is the outcome of a country-based participatory process, entailing extensive consultations with various organs of the Government of Uganda, the country's main bilateral and multilateral development partners, and national organizations of civil society. The process also benefited from a number of recent government policy statements and published studies on national development policies and strategies. An important stage in the process was the preparation of a situation analysis on issues of governance/decentralization and private sector development, which was discussed at a broad-based national workshop, convened on 20 August 1996. The recommendations of that workshop became an integral part of the UNDP advisory note.

2. The aforementioned consultations and situation analysis led to a number of conclusions that have had an impact on the strategy and direction of the first CCF, namely: (a) the promotion of good governance is an indispensable condition for poverty eradication; (b) poverty eradication is a critical entry point in the promotion of human development; (c) since the majority of the poor in Uganda are rural, female, and dependent on agriculture and informal micro-enterprises, addressing policies/legislation and building capacities of key actors in these areas augurs well for a positive programme impact on poverty; (d) promotion of social and economic empowerment of the poor will enlarge their choices and opportunities, thus enabling them to escape the poverty trap through productive means; (e) given the prevalence of gender inequality in the country, the threat of human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) to labour productivity, and the need for sustained environmental quality, a programme aimed at poverty eradication must mainstream gender, HIV/AIDS and environmental concerns in the promotion of sustainable livelihoods.

I. DEVELOPMENT SITUATION FROM SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. The population of Uganda is estimated at 19 million people, 87 per cent of whom reside in rural areas. Despite impressive economic growth, averaging 6.5 per cent per annum in the last eight years, Uganda remains mired in poverty, as illustrated by its 1996 human development index of 0.326, constituted in part from an average life expectancy of 44.7 years, annual per capita income of $220 and an adult literacy rate of 59.7 per cent. Chief among the fundamental challenges the country faces are: (a) the persistent security problems in the north of the country; (b) widespread poverty and low levels of human development; (c) a low level of domestic savings (approximately 2 per cent of gross domestic product in 1996), which undermines capacity for domestic investments and sustainable growth of the private sector; and (d) the spread of HIV/AIDS, which is estimated to affect over 10 per cent of the population.

4. Historically, the relationship between national and district or local-level institutions of governance has been characterized by a centralist approach, whereby decision-making that affects local-level service delivery was dominated by the central Government. To counter this trend, and to establish democratic governance, the Government passed the Local Government Statute in 1993, with the main objective of deconcentrating and devolving powers from the centre to the district and lower levels of administration, in order to achieve greater

participation and more accountability at local levels of governance. Under the new Constitution and Statutes, districts are expected to formulate their own development plans, based on local aspirations and resource bases, and thus promote participatory development planning and implementation. The local plans and programmes will eventually be integrated into the national plan, with central line ministries responsible for the coordination of development plans made by local governments, the setting of national standards and priorities, and the preparation of national policies.

5. As the decentralization process is being implemented, several problems have emerged, including the absence of local capacities (human and institutional) to formulate and implement development programmes, lack of basic infrastructure such as databases, equipment and communications systems, and a lack of systems to ensure the genuine participation of women and other disadvantaged groups in the development process.

6. Rural areas and the northern part of the country have the highest incidence of poverty and the lowest level of human development. The situation is exacerbated by persistent security problems in the northern region. The poor in Uganda typically lack skills, access to credit and basic productive assets. The subsistence nature of the peasant economy has led to land degradation, resulting in poor crop yields. The plight of the poor is compounded by other factors, especially the lack of an effective voice in the development process. Women are a particularly vulnerable group in this respect. The high incidence of tropical diseases, particularly malaria, has taken its toll, while the prevalence of HIV/AIDS has affected the productive labour force through death or morbidity. Unemployment is another major cause of poverty, with employment opportunities in Government and the formal sector declining, due to various structural adjustment measures.

7. The Government is in the process of formulating an Action Plan For Poverty Eradication. Key aspects of the strategy targeted to increase household incomes include: (a) ensuring continued political and economic stability for a good investment climate, as well as micro-economic incentives that encourage a sound pattern of economic growth; (b) increasing access to productive assets, i.e., to land and credit, as well as security of person and property; (c) providing sound infrastructure, especially rural feeder roads, to increase access to markets; (d) empowering the poor through decentralized democratic governance; and (e) focusing interventions on the needs of the lower end of the private sector - primarily the agricultural sector, micro-financial intermediaries, formal and informal micro- and small-scale enterprises - both at the national policy level and the grass-roots level.

8. With regard to the environment, Uganda's natural resource base comprises agricultural lands, lakes and rivers, fish and wildlife, pastures, hydropower, timber and minerals. Despite this high natural resource potential, human economic activity has adversely affected the state of the environment in the form of deforestation, soil degradation, loss of biodiversity, drainage of wetlands, pollution, and generally poor sanitary conditions. Water eco-systems are particularly threatened by the water hyacinth.

9. In response, the Government has enacted a number of policies, laws and regulations to govern the management of natural resources and protection of the

environment. Measures taken to this end include the enactment of the Environment Act (1995), the formulation of the National Environment Action Plan (1995), and the establishment of a National Environment Management Authority to guide environmental and natural resources management. The implementation and enforcement of these measures, however, remains weak, due to inadequate communication of the laws and protocols, inadequately trained personnel, lack of equipment, scarcity of financial resources, administrative and organizational inadequacies, and the absence of comprehensive and well-articulated environmental education programmes.

10. Women constitute 50.9 per cent of the Ugandan population, and those of child-bearing age constitute 22.6 per cent. A large proportion of women live in rural areas, where they comprise 70 to 80 per cent of the total agricultural labour force. The literacy rate is low among women in Uganda - 47.7 per cent as compared to 72.1 per cent for men, based on available data for 1993. The low level of education and high rate of illiteracy among women make it difficult for them to secure employment and/or benefit from new technological advances. Thus, they tend to be concentrated in jobs requiring a low level of skills. For example, while women constitute 30 per cent of the civil service, only a small proportion occupy senior positions. A key constraint to women's progress and advancement in agriculture is the lack of ownership of productive assets - only 7 per cent of women own the land they work on, and while most have access to land, they have no control over it or what is produced. In addition, the impact of HIV/AIDS on women both as producers of food and caretakers of the sick and orphans has affected agricultural production, which, traditionally, is labour intensive.

11. The Government has adopted a very progressive gender and development policy, based on promoting women's economic and political empowerment. The Ministry of Gender and Community Development is charged with the responsibility of mainstreaming gender issues into the country's overall development policies and programmes. In addition, a number of initiatives have been put into place to advance the role of women in Ugandan society, including constitutional provisions that mandate a minimum number of women-held parliamentary seats, one third women's representation in all local government councils, and special provisions for the admission of female students into government-aided universities. However, while requisite policies on gender and women are in place and government commitment is evident, there is need to operationalize the policy statements into actions, set concrete targets, and monitor and evaluate the policy measures taken and their outcomes.

12. Current estimates show that about 1.9 million Ugandans are living with HIV. Approximately 70 per cent of those infected with the virus are in the productive age bracket, 15 to 45 years of age. Among those 15 to 25 years of age, girls are six times more likely to be infected with HIV than their male counterparts. It is also estimated that one in every four professionals is infected. In recognition of the socio-economic impact of HIV/AIDS, the Government adopted an open policy towards the epidemic in 1986. Subsequent follow-up action involved the establishment of the AIDS Control Programme in the Ministry of Health, and the enactment of a statute in 1992 to create a neutral commission, the Uganda AIDS Commission, to follow on the Multi-sectoral AIDS Control Strategy adopted in the same year. A Secretariat to service the Commission was also officially established in 1992. With UNDP support, 13 AIDS Control Programmes have been

established in 12 government ministries. District AIDS Coordination Committees have also been established in all 39 districts in Uganda, and lower-level coordination structures are in the process of being formed. Concrete structural and policy-related activities have therefore been developed, with some positive results. These gains now need to be consolidated and built upon, given the direct impact of AIDS on the manpower structure; the socio-economic impact, including problems of widows/widowers, orphans and children living in difficult circumstances, etc.; the burden on medical and health infrastructure, including the need for hospice and community care for those terminally ill with AIDS; and the continued vulnerability of the population arising from poverty.

II. RESULTS AND LESSONS OF PAST COOPERATION

13. During the fourth country programme (DP/CP/UGA/4), which covered the period 1992-1996, UNDP resources were concentrated in four main areas: (a) building policy and management capacity; (b) HIV/AIDS and human survival; (c) poverty alleviation and rural development; and (d) preserving the environment and managing natural resources.

14. UNDP interventions made substantive contributions towards the Government's development efforts. Some of the key results included the establishment of the Uganda AIDS Commission and its Secretariat, which developed the National Operational Plan for AIDS-related activities in the country. The plan is widely used by other partners as a basis for their interventions in this area. At the grass-roots level, UNDP activities focused on mitigating the socio-economic impact of HIV/AIDS, through direct support involving income-generating micro-projects. Other important results include support for the completion of the National Environment Action Plan and the establishment of the National Environment Management Authority to operationalize the Plan in accordance with global compacts and norms. With respect to poverty alleviation and rural development, UNDP made significant contributions to job creation, through support to micro-enterprises for rural women. The Africa 2000 Network supported communities in at least 10 districts in environmentally sustainable income-generating activities. Through collaboration with the United Nations Capital Development Fund (UNCDF), credit facilities were made accessible to rural families. UNCDF and UNDP also contributed to the rehabilitation of a plant in Soroti that produces basic and affordable agricultural implements such as hoes and ox-drawn ploughs. Another UNDP/UNCDF-funded rural development project in Karamoja enhanced access to education and health facilities, through provision of physical infrastructure. UNDP also developed and disseminated simple "post-harvest" technologies for peasant farmers, the wide adoption of which has enhanced food security at rural household level in three districts - Kasese, Kamuli, and Lira.

15. Key lessons learned during the fourth country programme included: (a) in order to ensure local ownership and sustainability of results/output, beneficiaries and stakeholders need to be more effectively involved from the onset of programme formulation; (b) the absence of a coherent medium-term or long-term national development vision makes the adoption of the programme approach difficult; (c) programme interventions should be reasonably flexible, in order to respond to emerging priority needs of the Government, as was the case with the electoral process; (d) capacity-building efforts should be a mix

of skills-building and the fostering of a conducive environment for the retention and effective use of available skills; (e) programme formulation should be more sensitive to gender and environmental concerns, as well as to overall sustainability; (f) there is need for a sharper programme focus if UNDP-supported activities are to make a difference in the lives of the target population; and (g) there is need for systematic and closer collaboration with bilateral and multilateral agencies operating in the country and organizations of civil society, in order to enhance resource mobilization and the impact of development programmes.

16. Official development assistance (ODA) has been crucial to the financing of Uganda's development programmes, with over 80 per cent of the development budget being externally funded. The United Nations development system in Uganda accounted for a 52.5 per cent of technical assistance flows in Uganda in 1994. Bretton Woods institutions have contributed significantly to macroeconomic policy formulation and the resultant stability and overall economic growth. Given the size and relative importance of ODA in Uganda, the effective coordination and management of ODA assumes particular importance, and UNDP will continue its institutional and manpower capacity development support to the External Aid Coordination Department. Equally important, UNDP will support government participation in the World Bank-led Consultative Group process, especially in fostering closer linkages between national priorities and available ODA. In addition, in partnership with the Government and the World Bank, UNDP will support follow-up actions based on the Consultative Group process.

III. PROPOSED STRATEGY AND THEMATIC AREAS

17. The overall objective of the first CCF will be the promotion of democratic governance for poverty eradication, which will be pursued through two thematic areas: decentralized governance, with particular emphasis on capacity development for participatory formulation and management of district and local-level policies and programmes related to poverty eradication; and (b) private sector development, with particular emphasis on the development of small-scale and micro-enterprises, as a means of fighting poverty. Foundations for these thematic areas are currently being laid through support to the Decentralization Secretariat on the development of generic planning manuals and guidelines for district and local-level governments; a methodology for assessing district endowment profiles; a monitoring and evaluation system for development programmes at the district and local levels; and support for private sector development through assistance on the formulation of a national strategy and programme of action.

18. In developing activities in the two thematic areas, particular attention will be accorded to three cross-cutting concerns, namely, the role of women in development activities, the fostering of environmentally sustainable livelihoods, and the mitigation of the socio-economic impact of the HIV/AIDS epidemic in Uganda. The Government and UNDP will follow a two-pronged intervention strategy: first, policy dialogue at the national and sub-national levels, to engender the development of enabling legislation and a conducive policy, regulatory and institutional environment for the two thematic areas, with special reference to the three cross-cutting issues; and second, capacity

development at the national, district and local levels, through the development of planning and management systems, training of core staff, the provision of basic facilitative equipment, and support for grass-roots activities of pilot or demonstration nature that address the main forms of poverty in Uganda.

19. Programme activities in the two thematic areas will be closely linked. Thus, as part of the activities under decentralized governance, UNDP will support work related to building the capacity of district councils to plan for and carry out poverty mapping, environmental impact assessments, gender mainstreaming, HIV/AIDS impact assessments, and micro-enterprise development. During programme formulation, indicators of progress and success will be built into each area of concentration, including policies developed and/or influenced, institutional and human capacities developed or strengthened; the nature and extent of gender mainstreaming, participatory development planning and implementation; and the prospects for sustainability of activities at the end of UNDP support. Progress and success indicators will be time-bound and will also include an exit strategy for UNDP, in order to allow local institutions to assume responsibilities for activities started under the two programmes.

A. Decentralized governance

20. Both the Government and UNDP recognize the potential that the decentralization process offers for the political and economic empowerment of the poor, but are also cognizant of the weak capacities at the district and lower levels of administration. The prevailing situation indicates: (a) a dearth of the requisite capacities to effectively plan and implement the decentralization process; (b) weak statistical and other information systems, complicating a comprehensive understanding of the nature and spread of poverty, the exclusion of women from the development process, the impact of HIV/AIDS, and the degradation of the environment; and (c) lack of a "culture" of participatory planning of development programmes both at the national and local levels.

21. In consultation with UNDP and other partners, the Government will explore the possibilities of drawing upon available competencies from among the private sector and organizations of civil society operating in the districts, to devise mechanisms for more effective delivery of services to the poor. Also deserving of attention are the coping mechanisms among poor communities that have helped them to avert widespread famine and other calamities during periods of major crises in recent Ugandan history. Popular organizations that exist for this purpose will be considered for capacity-building support and service delivery.

22. The operational focus under the decentralized governance theme will be on developing national standards for service delivery to the poor and capacity development. Areas for support will include capacity development for (a) environmental impact assessments and management, HIV/AIDS impact assessments, poverty mapping/strategies, employment impact assessments, gender mainstreaming strategies and participatory planning, and (b) effective and efficient management of public resources.

B. Private sector development

23. The private sector in Uganda comprises small-scale entrepreneurs and farmers, community groups, informal groups and individual households, all

participating in the whole spectrum of economic life in the country. Thus, Uganda's overall strategy for economic growth and poverty eradication hinges on the development of small, private-sector micro-enterprises, especially in agriculture. The private sector faces a number of constraints, the most important of which include: (a) poor physical infrastructure; (b) inadequate access to credit/savings facilities, especially by the rural population, thus limiting capacity for savings mobilization and domestic capital accumulation; (c) technological underdevelopment, including the lack of supporting institutions and services such as quality control and standardization, and extension, business advisory and financial services; and (d) a weak enabling policy environment for the growth of rural-based micro- and small-scale enterprises, both in the farm and non-farm sectors. These constraints are more pronounced in their adverse impacts on women, particularly due to their low levels of skills and restricted access to productive assets.

24. Policy areas for particular support will include: (a) incentive regimes conducive to savings and investment in rural areas; (b) development of rural financial services and mobilization of domestic resources for investment; (c) regulatory and legislative frameworks supportive of the development and growth of small-scale and micro-enterprises and women entrepreneurs; (d) development of human resource capabilities by the private sector, and the mitigation of the socio-economic impact of HIV/AIDS; and (e) policies that foster sustainable livelihoods.

25. With respect to capacity development and direct programme interventions, possibilities of linking up with UNCDF and other agencies, such as the United States Agency for International Development, will be explored to mobilize the requisite resources for developing viable rural enterprises and linking them with established markets; providing business advisory and extension services; and developing the capacity of rural financial intermediaries and non-bank, micro-financial institutions, including providing micro-grants for activities that target rural households headed by women, households trying to cope with the effects of HIV/AIDS, and those engaged in environmentally sustainable agriculture and related activities.

IV. MANAGEMENT ARRANGEMENTS

26. The Government and UNDP have sought to maximize the resource mobilization potential of the first CCF, by involving other development partners early in the conceptualization and formulation of the advisory note and the CCF. This strategy will be applied in the elaboration of the specific programme activities. In particular, within the framework of thematic area of democratic governance, the Government and UNDP will work closely with UNCDF, through the District Development Programme and other rural pilot initiatives. A resource mobilization target table is provided in the annex to the present document.

27. The use of the national execution modality (NEX) for UNDP-funded projects in Uganda grew from 13 per cent in 1992 to over 95 per cent in 1996. Much of this growth is attributed to the investments UNDP and Government made in establishing a NEX Unit in the Ministry of Planning and Economic Development and providing the necessary training and tools. The NEX Unit has the capacity to fulfil UNDP accountability requirements and perform requisite execution and

programme management responsibilities. It has therefore been decided that the first CCF will be fully nationally executed. The Government and UNDP expect that the continued application of NEX, coupled with the general adoption of the programme approach, will enhance local ownership of the development activities and capacity-building in development management.

28. In order to ensure the highest quality in the implementation process, the expertise of the United Nations system agencies will be utilized in the areas in which they have a comparative advantage. In addition, much valuable experience can be shared among developing countries, especially in situations of documented best practices. UNDP will therefore encourage the use of the technical cooperation among developing countries modality. In this regard, suitable methods will be developed for appropriate linkage of national activities and regional programme initiatives, in the areas of private sector development and democratic governance. In addition, since programme activities under the first CCF will be focused on the local and district levels, it is envisaged that the role of United Nations Volunteers will be of great significance, as these technical specialists will be working as front line staff at the community level.

29. Based on the experience of the fourth country programme, especially in the HIV/AIDS prevention programme, whereby UNDP collaborated with various non-governmental organizations, the Government and UNDP envisage an expanded and significant role for competent non-governmental and other and other organizations of civil society in implementing UNDP-funded programmes.

30. The first CCF will be subject to three levels of cumulative and mutually supportive monitoring, evaluation and reporting activities. First, continuous programme/project-level monitoring will ensure that inputs are provided and activities undertaken in a timely manner, that bottlenecks are resolved as and when they appear, and that pertinent lessons are incorporated into subsequent programme activities. Activities related to this level of monitoring will be delineated by calendar month at the beginning of each year, so that they are an integral part of each programme officer's individual performance plan. Second, the CCF will be reviewed annually, to assess overall progress in terms of:

(a) Substance: the extent to which implementation has been consistent with the stated CCF strategy and its thematic focus, and the extent to which the CCF has met the established indicators of progress and success specified in each of the two programmes;

(b) Management effectiveness: the timeliness of the formulation of activities and the provision of requisite inputs, coordination of activities with other donors, and the establishment of clear and verifiable performance indicators;

(c) Financial probity: distribution of resources according to the thematic areas, status of the resource mobilization targets, timely management of programme build-up, re-phasing, etc.

31. Finally, during the third year of the CCF, a formal assessment will be undertaken of the extent to which the CCF has met its overall objectives and to determine key lessons for future cooperation. Equally important, the third-year evaluation will help the Government and UNDP to determine the continued relevance of the cooperation strategy and areas of thematic focus, as well as whether to continue under the present framework or to undertake a new CCF formulation exercise.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR UGANDA (1997-2000)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	9 850	
TRAC 1.1.1	24 197	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
Other resources	2 000	TCDC
SPPD/STS	2 143	
Subtotal	38 190 a/	
NON-CORE FUNDS		
Government cost-sharing	1 000	
Sustainable development funds	3 000 of which: GEF 2 700 Montreal Protocol 150 UNSO 150	
Third-party cost-sharing	4 500	
Funds, trust funds and other	16 000 of which: UNCDF 15 000 UNV 1 000	
Subtotal	24 500	
GRAND TOTAL	62 690 a/	

a/ Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TCDC = technical cooperation among developing countries; TRAC = target for resource assignment from the core; UNSO = Office to Combat Desertification and Drought; UNV = United Nations Volunteer programme.